

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1244-01
Bill No.: Perfected HB 354
Subject: Revenue Department; Roads and Highways; Taxation and Revenue - Sales and Use; Transportation; Transportation Department
Type: Original
Date: April 15, 2009

Bill Summary: This proposal expands the "Missouri Public-Private Partnerships Transportation Act" and exempts revenues received under the act from certain taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$158,000	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$158,000	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
State Road Fund	(\$158,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$158,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume that there is no fiscal impact from this proposal. This proposal expands the Missouri Public-Private Partnerships Transportation Act which gives MoDOT another tool for transportation financing.

MoDOT currently has no projects planned that would be a public private partnership.

Officials at the **St. Louis County** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Revenue** assume the need for two temporary tax employees for key entry. Additionally they need one revenue processing technician per 19,000 returns verified and one revenue processing technician per 2,400 pieces of correspondence.

Officials at the **Budget and Planning** assume no added cost to the Office of Administration as a result of this bill. This proposal includes a sales tax exemption for materials related to these projects, as well as an income tax exemption for any income related to these projects. This proposal may reduce general and total state revenues. MoDOT officials should be able to provide information on the number of projects that may be immediately started using this expanded program.

Oversight assumes that MoDOT has no current projects planned and therefore, DOR would not need additional FTE. Should projects be developed in the future then DOR could seek funding for an additional FTE through the appropriations process.

Amendment- Land Conveyance

Officials at the **Missouri Department of Transportation (MoDOT)** anticipate purchasing the property for \$158,500.

In response to similar legislation filed this year (HB 537, LR # 1458-01), officials at the **Office of Administration** assumed a transfer of \$158,500 in FY 2010 from MoDOT for the land conveyance.

In response to similar legislation filed this year (HB 537, LR # 1458-01) officials at the **Department of Corrections** deferred to the Office of Administration for impact.

ASSUMPTION (continued)

In response to similar legislation filed this year (HB 537, LR # 1458-01), officials at the **Office of the Governor** assumed that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Transfer In</u> - Office of Administration land conveyance	<u>\$158,500</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$158,000</u>	<u>\$0</u>	<u>\$0</u>
STATE ROAD FUND			
<u>Transfer Out</u> - Dept. of Transportation land conveyance	<u>(\$158,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(\$158,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There may be an impact on any small business that becomes a private partner in an authorized project.

FISCAL DESCRIPTION

This bill changes the laws regarding the Missouri Public-Private Partnerships Transportation Act by expanding the types of projects that may be included. Currently, the act is limited to the bridge project over the Mississippi River. The bill allows any pipeline, ferry, river port, airport, railroad, light rail or other mass transit facility, and any similar or related improvement or infrastructure to be financed, developed, and/or operated under an agreement between the Highways and Transportation Commission and a private partner.

The commission is allowed to approve projects it determines are needed or will improve the state transportation system. The "state transportation system" is defined as the state system of non-highway transportation programs including, but not limited to, aviation, transit and mass transportation, railroads, ports, waterborne commerce, freight, and intermodal connections.

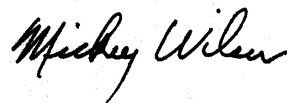
A sales and use tax exemption is authorized on all sales and purchases of tangible property, utilities, or services for use in public-private transportation projects; and any revenues received from a public-private project are exempt from state income tax.

The amendment authorizes the Governor to convey a parcel of real property, which is being currently used by the Department of Corrections as a minimum security correctional facility, to the Missouri Highways and Transportation Commission for the new Mississippi River Bridge project.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation
Department of Revenue
St. Louis County
Budget and Planning
Office of the Governor
Department of Corrections
Office of Administration
Office of the Attorney General

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is written in a cursive, flowing style.

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Mickey Wilson, CPA
Director
April 15, 2009

JH:LR:OD